

Implementation Statement – A Schulman Inc Ltd (1978) Retirement Benefit Scheme

Period: October 2020 - September 2021

As applies to the A Schulman Inc. Ltd (1978) Retirement Benefits Scheme Statement of Investment Principles dated September 2020 ('SIP').

1) Stewardship Policy and Implementation, with regard to items 15, 16, and 17 of the SIP:

- During the period voting and engagement decisions were delegated to the Fiduciary Manager (Charles Stanley). Charles Stanley's policy on voting and engagement is as follows *"We believe voting is an effective method of engagement. We use the services of proxy voting service provider Institutional Shareholder Services (ISS) to advise us on corporate governance issues and provide voting recommendations on our top 100 holdings of equity and fund securities. The advice of our proxy voting service provider is based on the UK Corporate Governance Code and its own set of voting principles built on a collection of industry best practice guidelines, which are designed to protect and enhance shareholders' interests. ISS has a long-standing relationship with many of the UK-listed issuers within its coverage universe and regularly engages with the senior management teams of such issuers. With in-depth knowledge of the UK Corporate Governance Code and a long history of corporate engagement, we believe the provision of voting advice from our proxy service provider enhances our engagement with investee companies. However, we are not bound to follow the advice of ISS and retain the ultimate say on which way to vote on each item raised at general and extraordinary shareholders meetings, based on what we believe is in the best interests of our clients. Where we believe it would assist shareholder interests, we may inform the company in advance of our voting intentions. We do not engage in securities lending with client holdings."*
- During the period the following voting activity was carried out on direct equity holdings
 - Direct equity holdings: 2 (HICL.LN and INPP.LN)
 - Relevant voting activity during period:
 - HICL Infrastructure – FOR ALL RESOLUTIONS (ISS guidance)
 - International Public Partnership – FOR ALL RESOLUTIONS (ISS guidance)
- During the period the following voting activity was carried out on fund holdings:
 - Fund and ETF holdings: 32
 - Relevant voting activity during period: N/A
- During the period the following engagement activity was carried out on fund holdings:
 - Direct engagement with underlying companies: none
- Other engagement and voting activity during the period: Through its underlying fund managers the scheme is exposed to ~6,000 underlying companies. Pro-active engagement and voting activity was carried out by the scheme's underlying fund managers as part of their routine management of funds. Stewardship reports from these fund managers were provided to the trustees. Fund managers include:
 - BlackRock (ishares)
 - Vanguard
 - Legal & General
 - State Street Global Advisers (SSGA)

- DWS
- Lyxor Asset Management

2) Routine monitoring of investments, performance and Flight-Plan. With regard to items 2-7 of the SIP

- In-depth reviews were carried out during Trustee meetings (on 29/03/21) of the following investment issues based on information provided by Charles Stanley:
 - Performance of Flight-Plan compared with expectations
 - Current and historic risk compared with set Risk Budget
 - Performance of investments over recent time period versus expectations
 - Performance of Growth portfolio vs market index and expectations
 - Performance of Liability matching portfolio vs liability hedge target
 - Performance of sectors and asset classes
- Monitoring was carried out each month based on dashboard information provided by Charles Stanley:
 - Performance of Flight-Plan compared with expectations
 - Current status of Flight-Plan, including Risk Budget
 - Recent performance of overall investment portfolio versus market indices

At the trustee meeting of 29/03/21 the following observations were made:

- *Over the last 6 months (the reporting period), the funding position improved by nearly 6% putting the scheme ahead of target for its long-term flight-plan.*
- *Thanks largely to a continued recovery in stock markets, investments outperformed liabilities by 5% over the period.*
- *Growth assets returned 5%, as all riskier asset classes posted positive returns.*
- *Matching assets outperformed their hedge target, falling less than expected.*
- *Due to a significant fall in liabilities (and matching assets) total asset values fell by 4% over the period.*

3) Routine monitoring of Environmental, Social, Governance (ESG) and Climate Change risks, with regard to items 8, 12, 13 and 14 of the SIP:

- Exposure to ESG (including Climate Change) risk was monitored based on a dashboard report provided by Charles Stanley at Trustee meeting of 29/03/21. Any additional ESG and Climate Change activity as pertains to the overall asset allocation of the portfolio or individual funds or securities held was reported to the trustees at this meeting.

At the trustee meeting of 29/03/21 the following observations were made:

- *The overall ESG Quality Score of the investment portfolio is 6.1, equivalent to an 'A' rating which is the top end of 'Average' for the industry as a whole*

4) Routine monitoring of investment costs, with regard to item 18 of the SIP:

- Expected underlying portfolio costs (OCF+ methodology) and direct fiduciary fees were monitored at Trustee meeting of 29/03/21

- Actual historic fees and costs were reviewed in January 2021 (as part of year end Quarterly Reports provided by Charles Stanley)

At the trustee meeting of 29/03/21 the following observations were made:

- *Expected annual management fee and costs were 0.32% and additional underlying portfolio costs are expected to be 0.36% (a total of 0.68%)*

5) Investment Objectives and Value for Money, with regard to item 18 of the SIP:

- Charles Stanley was monitored against 23 agreed objectives covering “Strategic Investment Advice and Modelling”, “Ongoing Investment Management” and “Client Support, Service and Reporting”. Overall value for money was tested during a procurement phase.

Drafted by Bob Campion, CFA, Charles Stanley